

## Disposition of the Independent Review Panel

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Complainant: Claudio Naranjo

Date: July 3, 2003

IRP Case: A2003.057

From: Eduardo I. Diaz, Ph.D.  
Executive Director

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The Independent Review Panel met on June 26, 2003 for the purpose of publicly reviewing the complaint made by Claudio Naranjo against the Miami-Dade Water & Sewer Department (WASD) and the department's response to the complaint. The following represents the findings of the Panel:

### A. Allegations

WASD did not provide Claudio Naranjo with: (a) notice of any water adjustment credit, (b) advance warning that he had an outstanding balance, and (c) advance warning that his water would be cut off.

### B. Disposition of the Independent Review Panel

1. The allegations made by Mr. Naranjo are, in part, accurate. He alleged that WASD did not provide (a) notice of any water adjustment credit, and (c) advance warning that his water will be cut off.

According to WASD's investigative report, the corrected bill sent on November 7, 2002, reflected the numeric credit for the underground leak adjustment. The report also indicated that the corrected bill contained the past due date of December 2, 2002, and indicated, "Payment must be received by the past due date to avoid discontinuation of service." The next regular bill was issued on December 3, 2002, with a past due date of December 24, 2002. (Mr. Naranjo said he made a payment of \$321.00 on 12/30/02 and \$400.00 on 1/23/03).

The Panel found that, while the corrected bill could be viewed as a type of advance warning due to the imprinted statement ("Payment must be received... to avoid discontinuation of service"), an improved notification mechanism needs to be implemented to better inform customers that a bill has been adjusted and/or their water will be cut off.

2. The allegation that WASD did not provide (b) advance warning that Mr. Naranjo had an outstanding balance is Not Sustained. Mr. Naranjo stated that he was aware that there was a past due balance of \$354.85 on 1/23/03. Although Mr. Naranjo contends that he was not told on 1/23/03 that his water would be cut if the \$354.85 was not paid by a certain time, the Panel found that, since he knew that there was an outstanding balance and he did not execute the payment arrangement in order to avoid discontinuance, there is insufficient evidence to substantiate that "WASD did not provide advance warning that he has an outstanding balance."

C. Other Findings

1. The quality of Customer Service in dealing with Mr. Naranjo was poor. Two Customer Service Reps failed to advise him that his credit was, in fact, applied to his account, which contributed to his delay in payment and subsequent discontinuance of water service on 1/23/03.
2. The Department's investigation did not acknowledge the payment made by Mr. Naranjo on 1/23/03 - the basis the report suggests was used to disconnect his water on 2/5/03, for a second time. The committee found that although Mr. Naranjo did not execute the payment plan, Customer Service consideration or contact could have been made prior to the second cut off made on 2/5/03, since Mr. Naranjo did pay at least \$400.00 towards the total balance due.
3. WASD appropriately issued a credit in the amount of \$166.10, due to the misinformation given to the customer, and sent a letter of explanation and apology in May 2003.

D. Panel Recommendations

Ask Water & Sewer Department (WASD) Director William Brant to:

- a) Create a mechanism where proper and more visible notification is provided to customers when a credit adjustment is made and when a customer's water is about to be cut off for non-payment.
- b) Provide IRP staff with information regarding the volume of shut off notices that are generated for non-payment on a daily basis.

# Independent Review Panel

## Staff Recommendation to the Panel

June 26, 2003

**Complaint No.** A2003.057

**Name of Complainant:** Claudio Naranjo

**Accused Party:** Miami-Dade Water & Sewer Department (WASD)

**Materials Reviewed:** Complainant's written complaint (dated 2/5/03), Grievance Report Form, Correspondence, Staff Notes, and WASD's Investigative Response.

**Committee:** Heddy Peña and Chief John S. Ross, Panel Members; Dr. Eduardo Diaz, IRP Executive Director; Carol Boersma, Executive Assistant to the Director, and Debbie Penha-Cumbermack, Conflict Resolution Specialist.

**Meeting Date:** June 2, 2003

**Present:** Dana M. Moss, Sr., CPA, WASD Assistant Director – Finance, and Mary Perez, WASD Customer Service Supervisor – Collection Branch.

**Complaint:** The following is a summary of Claudio Naranjo's written complaint:

- 09/11/02 He filed a request for "an underground concealed leak adjustment" with WASD. [NOTE: His November 2002 water bill was \$2,493.98. His bill prior to that was \$301.56].
- 12/30/02 He visited the LeJeune Road office to find out the status of his adjustment request and to pay his current bill, amount due \$321.00. Mr. Naranjo said the representative told him the matter was still under investigation and not to worry.
- 1/23/03 A WASD Field Representative (Rep) responded to his property to cut off the water (without prior notice). The Rep gave him 24 hours to pay \$400, which he did that same day. While making the payment at the LeJeune office, he was told that the adjustment had been applied and the remaining balance was \$754.85. He told the Rep that he was not notified that the credit adjustment had been applied. Mr. Naranjo stated the Rep did not tell him that the water would get cut off if he did not pay the remaining \$354.85 within a certain amount of time.
- 02/05/03 His water was cut and a door hanger notice left indicating an outstanding balance of \$354.85.

Mr. Naranjo alleges that: WASD did not provide (a) notice of any water adjustment credit; (b) advance warning that he has an outstanding balance, and (c) that his water will be cut off.

### **IRP Staff Remarks**

During the time that Panel staff received Mr. Naranjo's complaint, Panel staff received two other complaints against WASD – those of Maria Malakoff (A2003.051) and Marlene M. Mato (A2003.046) – and it was determined to meet with representatives of WASD to attempt resolution. On March 25, 2003, Panel staff persons Debbie Penha-Cumbermack and Carol Boersma met with Clive Mamby (Customer Service Manager/Records) and Dana Moss Sr. (CPA, WASD Assistant Director – Finance) regarding the three complaints. Panel staff asked Mr. Moss and Mr. Mamby if they would respond to the three complaints in writing and they agreed.

### **Departmental Response – WASD Investigative Report**

The following is a summary from WASD's investigative report (dated 5/13/03):

- 08/29/02 A Department meter reading obtained indicated high consumption.
- 09/05/02 The high bill investigation was performed and concluded "no leak at meter, no registration..."
- 10/25/02 A request for an adjustment was made by the customer, with repairs made 8-17-02, and a Rep saw evidence of repairs.
- 11/05/02 The Underground Leak adjustment was completed. However, when the customer called on November 26 and December 16, 2002, he was told by two different Reps that the adjustment was "in progress" and "still pending."
- 01/23/03 A Department Field Rep went to the property to cut the water for non-payment. The customer called Customer Relations, and the Rep explained that the Underground Leak credits had been given on the November bill, and that the prior balance (\$754.85) must be paid. Mr. Naranjo called Collections for a payment arrangement, was told to pay \$400.00 and \$100 per month on balance. Customer said he would call back.
- 02/05/03 A Department Rep disconnected the water service because the bill had not been paid.

WASD concluded that the Department sent a corrected bill on November 7, 2002, which reflected the credit for the underground leak adjustment. The past due date on the bill was December 2, 2002 – the date by which payment must be received to avoid discontinuation of service. The next regular bill was issued on December 3, 2002, with a past due date of December 24, 2002.

WASD also concluded that on two occasions after the credit had been processed, Mr. Naranjo was given misinformation that his credit was still pending or in process. He then did not pay the bill, thinking the credit was still pending, until January 23, 2002, when a Department Field Rep went to cut the water. "He called and was advised that a \$400 payment was needed initially, and then \$100 per month payment arrangement could be given. ...Since no payment was made ...service on February 5, 2003 [was disconnected]." However, because the Department did not properly advise this customer of the status of his billing prior to the account reaching the point of disconnection, the Department credited late fees, field visit charges, cut charge, and reconnect charge caused by this problem, totaling \$166.10.

**Committee Discussion** IRP Panel members Heddy Peña and Chief John Ross co-chaired the committee meeting.

### **Information on Bill**

**IRP ~** Chief John Ross asked if there is a mechanism to inform customers about a credit adjustment on a bill and/or water discontinuance, and is it possible to send a separate form of notification to customers.

**WASD ~** Mary Perez explained that all bills indicate, on the bottom, "Payment must be received by the past due date to avoid discontinuance of service." The bill sent to Mr. Naranjo indicated, "Corrected Bill." Ms. Perez stated that Mr. Naranjo's corrected bill should have had a manual entry stating, "Leak Adjustment," and the only mechanism that currently exist is to do the entry manually. Dana Moss stated that he would consider a way to better inform customers of any adjustments on a bill.

### **Explanation of Misinformation**

**IRP ~** Carol Boersma said that when a customer gets misinformation, and mentions this fact during a subsequent call back to Customer Service or Relations, the Rep tends not to believe the customer. Ms. Boersma stated that the adjustment was made in November. However, Mr. Naranjo was told in December that his request was pending. Why was he not given the correct information? Dr. Eduardo I. Diaz asked if the Reps misread the information.

**WASD ~** Ms. Perez acknowledged that Mr. Naranjo was given misinformation twice. She expressed that WASD Customer Reps handle hundred of calls, and with the new Customer Information System (CIS) installed in December 2001, the Reps did not read the bill correctly. There is a Field Order Status that said, "Completed," and the Reps did not see that part. Consequently, the Department credited Mr. Naranjo's account.

### **Water Cut Off Orders**

**WASD ~** Ms. Perez stated that once a customer does not pay prior to the past due date, the computer system automatically generates a cut off order.

**IRP & WASD ~** Chief Ross asked, before a cut off order is automatically generated, if it is possible that a Rep could research the history to see if execution of the order is necessary. Mr. Moss replied that WASD services five districts and has 400,000 open accounts. Dr. Diaz asked Mr. Moss whether the Department could provide IRP staff with data regarding the volume of shut off notices that are generated for non-payment on a daily basis. Mr. Moss said that he would get the figure.

**Committee Findings:** The committee found that:

1. The allegations made by Mr. Naranjo are, in part, accurate. He alleged that WASD did not provide (a) notice of any water adjustment credit, and (c) advance warning that his water will be cut off.

According to WASD's investigative report, the corrected bill sent on November 7, 2002, reflected the numeric credit for the underground leak adjustment. The report also indicated that the corrected bill contained the past due date of December 2, 2002, and indicated, "Payment must be received by the past due date to avoid discontinuation of service." The next regular bill was issued on December 3, 2002, with a past due date of December 24, 2002. (Mr. Naranjo said he made a payment of \$321.00 on 12/30/02 and \$400.00 on 1/23/03).

The committee found that while the corrected bill could be viewed as a type of notice (of the water adjustment), and/or advance warning due to the imprinted statement ("Payment must be received... to avoid discontinuation of service"); the committee found that an improved notification mechanism needs to be implemented to better inform customers that: a bill has been adjusted and/or their water will be cut off.

2. The allegation that WASD did not provide (b) advance warning that he has an outstanding balance is Not Sustained. Mr. Naranjo stated that he was aware that there was a past due balance of \$354.85 on 1/23/03. Although Mr. Naranjo contends that he was not told on 1/23/03 that his water would be cut if the \$354.85 was not paid by a certain time, the committee found that since he knew that there was an outstanding balance and did not execute the payment arrangement in order to avoid discontinuance, there is insufficient evidence to substantiate that "WASD did not provide advance warning that he has an outstanding balance."
3. The quality of Customer Service in dealing with Mr. Naranjo was poor. Two Customer Service Reps failed to advise him that his credit was, in fact, applied to his account, which contributed to his delay in payment and subsequent discontinuance of water service on 1/23/03.
4. The Department's investigation did not acknowledge the payment made by Mr. Naranjo on 1/23/03—the basis the report suggests was used to disconnect his water on 2/5/03, for a second time. The committee found that although Mr. Naranjo did not execute the payment plan, Customer Service consideration or contact could have been made prior to the second cut off made on 2/5/03, since Mr. Naranjo did pay at least \$400.00 towards the total balance due.
5. WASD appropriately issued a credit in the amount of \$166.10, due to the misinformation given to the customer, and sent a letter of explanation and apology in May 2003.

**Committee Recommendations:** The committee recommends that the Panel:

Ask Water & Sewer Department (WASD) Director William Brant to:

- a) Create a mechanism where proper and more visible notification is provided to customers when a credit adjustment is made and when a customer's water is about to be cut off for non-payment.
- b) Provide IRP staff with information regarding the volume of shut off notices that are generated for non-payment on a daily basis.